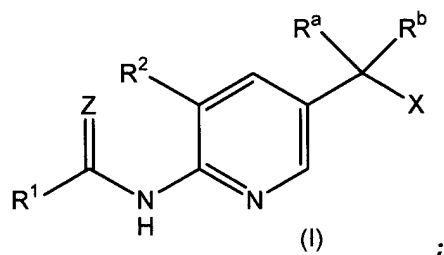


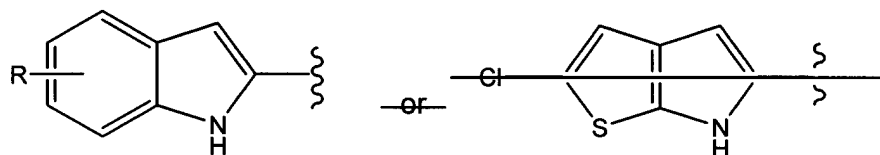
In the Claims:

1. (amended) A compound of formula (I)



a stereoisomer ~~or prodrug~~ thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~, wherein:

R¹ is



wherein R represents, independently, from 1-3 of hydrogen; -NH₂; -CN; -NO₂; halogen; -(C₁-C₆)alkyl; or -(C₁-C₆)alkoxy;

R² is -(C₁-C₆)alkoxy;

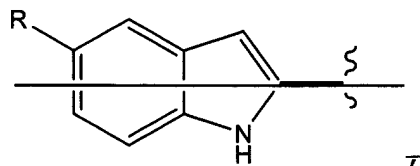
R^a and R^b are -CH₃ or -OH, provided R^a and R^b are not both -OH;

X is -CH₂OH; -COOR^c, wherein R^c is hydrogen or -(C₁-C₆)alkyl; or -CON(heterocycloalkyl); and

Z is O or S.

2. (amended) A compound of claim 1, wherein:

~~R¹ is~~



wherein:

R is halogen;

R² is -OCH₂CH₃;

R^a is -CH₃ and R^b is -OH;

X is -CH₂OH or -COOR^c, wherein R^c is hydrogen or -(C₁-C₆)alkyl; and

Z is O.

3. (amended) A compound of claim 1 selected from the group consisting of:

5-chloro-1H-indole-2-carboxylic acid-[5-(1,2-dihydroxy-1-methyl-ethyl)-3-ethoxy-pyridin-2-yl]-amide;

2-{6-[(5-chloro-1H-indole-2-carbonyl)-amino]-5-ethoxy-pyridin-3-yl}-2-hydroxy-propionic acid; and

2-{6-[(5-chloro-1H-indole-2-carbonyl)-amino]-5-ethoxy-pyridin-3-yl}-2-hydroxy-propionic acid ethyl ester, a stereoisomer ~~or prodrug~~ thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~.

4. (canceled)

5. (canceled)

6. (amended) A pharmaceutical composition comprising a compound of claim 1, a stereoisomer ~~or prodrug~~ thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~; and a pharmaceutically acceptable carrier, vehicle, or diluent.

7. (amended) A method of treating atherosclerosis, diabetes, insulin resistance, diabetic neuropathy, diabetic nephropathy,

diabetic retinopathy, cataracts, hypercholesterolemia, hypertriglyceridemia, hyperlipidemia, hyperglycemia, hypertension, tissue ischemia, or myocardial ischemia, which method comprises administering to a mammal in need of such treatment, a therapeutically effective amount of a compound of claim 1, a stereoisomer ~~or prodrug~~ thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~; or a pharmaceutical composition comprising said compound of claim 1, or said stereoisomer ~~or prodrug~~ thereof, or said pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~, and a pharmaceutically acceptable carrier, vehicle, or diluent.

8. (original) A method of claim 7, wherein said condition is diabetes.

9. (amended) A method of inhibiting glycogen phosphorylase which method comprises administering to a mammal in need of such inhibition, a glycogen phosphorylase inhibiting amount of a compound of claim 1, a stereoisomer ~~or prodrug~~ thereof, or a pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~; or a pharmaceutical composition comprising said compound of claim 1, or said stereoisomer ~~or prodrug~~ thereof, or said pharmaceutically acceptable salt of said compound, or stereoisomer, ~~or prodrug~~, and a pharmaceutically acceptable carrier, vehicle, or diluent.